

Washington State Auditor's Office
Accountability Audit Report

City of Bothell
King and Snohomish County

Audit Period
January 1, 2003 through December 31, 2003

Report No. 67451

Issue Date
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Washington _____
State Auditor

Brian Sonntag

Audit Summary

**City of Bothell
King and Snohomish County
January 1, 2003 through December 31, 2003**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the City of Bothell for the period January 1, 2003, through December 31, 2003.

We performed audit procedures to determine whether the City complied with state laws and regulations and its own policies and procedures. Our work focused on specific areas that have potential for abuse and misuse of public resources.

RESULTS

In the areas examined, the City complied with state laws and regulations and its own policies and procedures. We did note two issues we reported directly to City management.

RELATED REPORTS

Our opinion on the City's financial statements is provided in a separate report, which includes the City's financial statements.

CLOSING REMARKS

We appreciate the City's prompt attention to resolving prior audit issues and its commitment to ensuring compliance with conditions reported this audit. We thank City officials and personnel for their assistance and cooperation during the audit.

Table of Contents

City of Bothell
King and Snohomish County
January 1, 2003 through December 31, 2003

Description of the City 1

Audit Areas Examined..... 3

Description of the City

City of Bothell King and Snohomish County January 1, 2003 through December 31, 2003

ABOUT THE CITY

The City of Bothell was incorporated in 1909 and has a population of 30,910 distributed between King and Snohomish counties. A council-manager form of government administers the City with seven elected Council Members, one of whom is appointed Mayor. An array of services is provided by 247 employees including water, sewer, police, court, fire, emergency medical, parks and recreation, streets and transportation, administration and planning. The City operates on a \$39.2 million annual budget, with a General Fund budget of \$24.5 million.

AUDIT HISTORY

We audit the City annually. In the past six years we have reported three audit findings. City officials have taken steps to make improvements and correct conditions noted in prior audit findings.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor
Council:

Bob Bandarra
Patrick Ewing
Sandy Guinn
Cindy Honcoop
Jeff Merrill
Timothy Olsen
Richard Paylor

APPOINTED OFFICIALS

City Manager
Assistant City Manager
City Attorney
Administrative Services Director
Finance Operations Manager
City Clerk
Community Development Director
Court Administrator
Police Chief
Public Works Director
Fire Chief

Jim Thompson
Manny Ocampo
Michael Weight
Mark Ericks
Tami Schackman
JoAnn Trudel
Bill Wiselogle
Estelle Rizzo
Forrest Conover
Dave Zabell
Marcus Kragness

ADDRESS

City

18305 101st Avenue Northeast
Bothell, WA 98011
(425) 486-3256

Audit Areas Examined

City of Bothell King and Snohomish County January 1, 2003 through December 31, 2003

In keeping with general auditing practices, we do not examine every portion of the City of Bothell's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the City were examined during this audit period:

ACCOUNTABILITY FOR PUBLIC RESOURCES

We evaluated the City's accountability in the following areas:

- Cash receipting
- Cash receipting and revenues (District Court, Development Services, Parks and Recreation, local improvement districts and utilities)
- Accounts receivable
- Payroll
- Purchase of goods and services
- Financial statement preparation and journal entries

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Deposit and investment of public funds
- Timely deposit of public funds
- Use of restricted funds
- Required financial schedules
- Risk management
- Budgeting requirements
- Ethics/conflict of interest laws
- Open Public Meetings Act
- Allowable expenditures
- Credit card usage
- Travel expenses
- State grants
- Competitive bidding requirements
- Interfund transactions
- Vehicle marking requirements
- Long-term debt covenants
- Taxation and revenue authority

FINANCIAL AREAS

Our opinion on the City's financial statements is provided in a separate report. That report includes the City's financial statements and other required financial information. We examined the financial activity and balances of the City including:

- Cash and investments
- Revenues
- Expenditures
- Accounts receivable
- Infrastructure/fixed assets
- Long-term debt
- Overall presentation of the financial statements